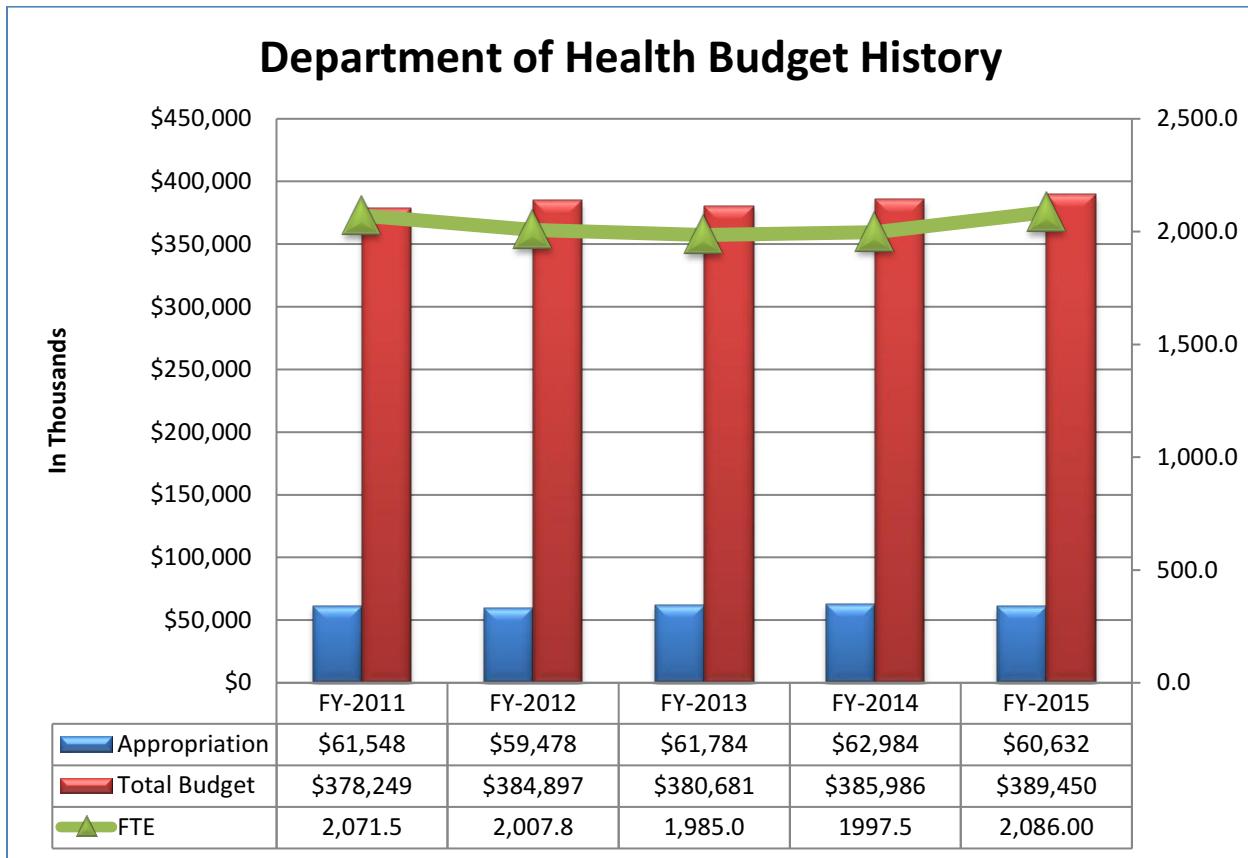
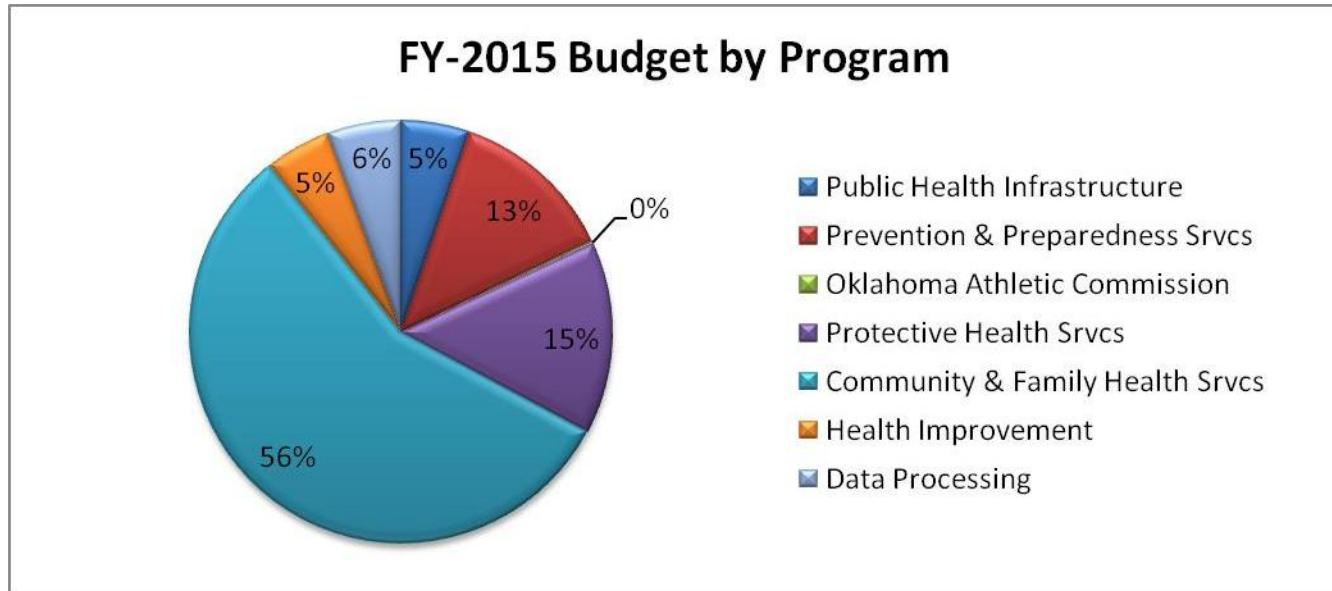


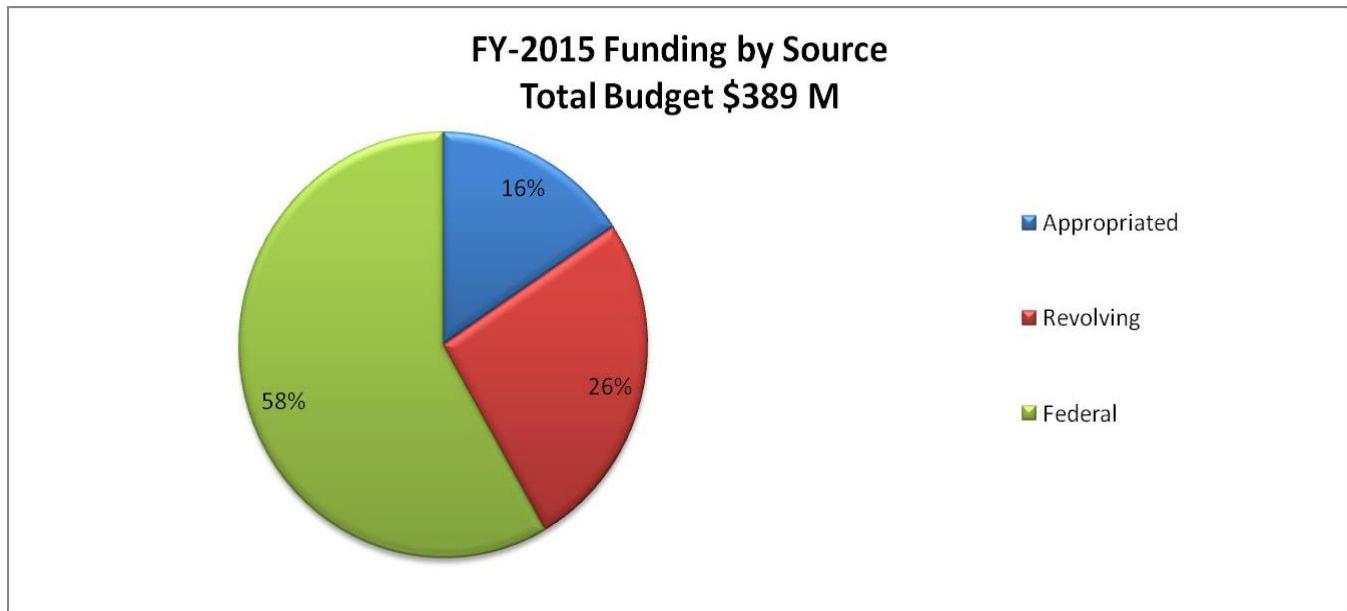
Department of Health - 340



State Funds as a percentage of total state appropriations – 0.85%

I. Funding





* Federal funding includes WIC payments from the disbursing fund.

II. FY-2015 Supplemental Request Summary

No supplemental requested.

III. FY-2016 Budget Request Summary

Decision Package 1: Improving Public Health \$8.5 M

The purpose of this decision package is to continue to provide lab services to the State as well as fill a gap in vaccine coverage for insured children.

Budget Requests

BR1. Public Health Laboratory \$5.8 M

The Oklahoma State Department of Health is requesting permission to issue capital bonds to construct a new Public Health Lab in partnership with the Oklahoma Capital Improvement Authority. The current PHL is outdated and has made it difficult for the agency to carry out certain functions because of physical limitations, outdated equipment, and deteriorating infrastructure. In 2012, an inspection team by the College of American Pathologists, the accrediting agency for the OSDH PHL, stated “the facilities for this laboratory are antiquated and poorly designed. The facilities appear to be at the end of their time and require immediate plans for addressing.” A new building would provide space for new testing technologies, create the capacity needed for times of emergency, and foster a healthy and productive work environment for employees. The department also plans to relocate the OSDH Pharmacy services to the new health lab thus eliminating rental costs associated with the off-site warehouse property where it is currently located and allowing for the coordination of lab and pharmaceutical services. The requested increase in state appropriations will fund the repayment of the authorized bond. This is a 10 year recurring expense.

BR2. Vaccine Purchase, Distribution, & Administration **\$2.7 M**

Vaccinating children is becoming more difficult. The Federal Immunization Grant and Vaccines for Children no longer allow privately insured children to access vaccines purchased with federal funds. This and the cost of buying and storing the vaccines have caused a large number of private providers to stop offering this service. If funded, the Health Department plans to purchase vaccines so county health departments can serve children who have no other means of being vaccinated. Approximately 3,780 children will be affected by this change. Third party insurers will be billed for vaccine and administrative costs with at least 40% of costs recouped from monthly claims. The public dollars needed for the program will decrease by an estimated 30% in years 2 through 5, with the expected need to be \$645,303 in Year 5. Below is a table outlining the decreasing cost to the State.

	SFY-16	SFY-17 (30% Reduction)	SFY-18 (30% Reduction)	SFY-19 (30% Reduction)	SFY-20 (30% Reduction)
Vaccine Cost	\$ 2,251,931	\$ 1,576,352	1,103,446	772,412	540,688
Administration	\$ 435,714	\$ 305,000	213,500	149,450	104,615
Total	\$ 2,687,645	\$ 1,881,352	1,316,946	921,862	645,303

Decision Package 2: Utilizing Pay for Success **\$10 M**

The purpose of this decision package is to implement pay for success models which will encourage implementation of evidence-based practices with less financial risk for the State.

Budget Requests

BR1. Public/Private Partnership for Improvement of Adolescent and Children's Health **\$1 M**

The Health Department is planning on implementing a pay for success model with the objective of reducing adolescent pregnancy rates in order to improve infant and child health outcomes, improve high school graduation rates, and decrease unnecessary cost to taxpayers. A contract will be drawn up with the Oklahoma City-County Health Department and the Tulsa City-County Health Department who will use the funds to either enhance current programs currently funded by private foundations or serve as a payment to investors once the agreed upon outcomes are achieved. The exact outcomes will be negotiated once an approved business plan has been received, and all funds paid by the State must be reinvested in the evidence-based program. Reducing teenage pregnancy will lessen Medicaid and SNAP growth as well as increase the tax base as more young adults are able to fully participate in Oklahoma's workforce.

BR2. Reducing Preventable Hospitalizations and Emergency Department Visits for the Uninsured **\$9M**

A pay for success model will be created with the goal of reducing preventable hospitalizations and emergency department visits. Healthcare facilities will voluntarily participate in the program upon meeting a set of eligibility criteria and health outcome measures. They must agree to provide services to the uninsured and provide care coordination for chronically ill, mentally ill, or co-morbid individuals. The facility must also support a local ER Diversion model to ensure efficient and effective resource use. Further, community benefit hospitals must work to align with local community health improvement plans and the State Health Improvement Plan. When negotiated performance metrics are met, the care networks will receive the agreed upon payments. Reducing unnecessary hospitalizations and ER visits will lower healthcare costs for all Oklahomans as healthcare facilities will no longer have to look for a way to cover those uncompensated costs.

Total Request **\$18.5 M**

IV. Legislative Needs

1. Oklahoma is one of the leading states in prescription painkiller sales per capita. In 2011, we ranked in the top five for per capita distribution of many common opioids, such as hydrocodone, morphine, fentanyl and meperidine (Demerol). Prescription painkillers were involved in 87% of all prescription drug-related deaths in 2011. The OSDH supports a physician requirement (and/or staff) to access and verify information in the Prescription Monitoring Program (PMP) central repository prior to prescribing or authorizing a refill of any controlled, dangerous substance. By requiring physicians to check the PMP system, this adds a critical tool for medical practitioners to help recognize and address the problem of prescription drug abuse and addiction, as well as improve diagnostic capabilities concerning the treatment of underlying health concerns. We know that early intervention is a key to preventing the negative consequences that will follow if the disease is allowed to progress.